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HD **Trump's bid to reverse climate agenda puts pressure on Ottawa; President's push to undo Obama-era policies raises concerns that Canadian industries won't be able to compete in energy-reliant sectors**

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OTTAWA --

U.S. President Donald Trump signed an order Tuesday aimed at boosting coal-fired electricity and unravelling key elements of his predecessor's climate-change policies – a move that will increase political pressure on Prime Minister Justin Trudeau's own climate agenda.

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Mr. Trump's push to reverse the climate plans of former president Barack Obama is raising concerns in Canada that domestic industries will find it tougher to compete and raise capital, especially in energy-intensive industries.

Through his use of executive orders, the new President has signalled he has little interest in meeting U.S. commitments to reduce greenhouse gas emissions that were made at the Paris climate summit in December, 2015.

Instead, he plays down the looming threat of climate change and, on Tuesday, promised "a new energy revolution" that encourages American production and consumption of coal, oil and natural gas and will lead to what he calls "unbelievable prosperity all throughout the country."

Read more: Opinion: Trump's scary environmental plan (http://www.theglobeandmail.com/report-on-business/rob-magazine/donald-trumps-scary-environmental-plan/article34443401/)

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However, as with many of Mr. Trump's orders, there is a lengthy process that must play out before his political rhetoric can be implemented. Environmental groups have vowed to challenge in court his charge to the Environmental Protection Agency to rollback Mr. Obama's Clean Power Plan, which would essentially force utilities to reduce their use of coal-fired power over the coming decades.

"It's not easy to do many of the items in the executive order," Jason Bordoff, director of Columbia University's Center on Global Energy Policy, said in an interview. "There was a fairly robust scientific justification for why the EPA did what it it did under president Obama … and the court will want to make sure the agency action is not arbitrary and capricious. And this takes time."

While the Trump administration moves to cut regulatory burdens on U.S. producers and leave environmental policy to the states, Mr. Trudeau's Liberal government plans to have Canada-wide carbon pricing in place next year as well as regulations on methane emissions in the oil and gas sector.

Combined with potential tax changes coming from the Republican-controlled Congress that could make U.S. corporations as a whole even more competitive, Canada's energy sector and reliant industries are facing significant disadvantages, said Jack Mintz, fellow at the University of Calgary's School of Public Policy and a director with Imperial Oil Ltd.

"There have been a number of hits on the oil and gas sector, particularly, on the policy side in Canada," he said. "In the U.S., you have exactly the opposite."

Mr. Trudeau and Environment Minister Catherine McKenna argue Canada needs to meet its Paris commitments and to take a leadership role in the global effort to avert the worst impacts of a climate catastrophe.

Should the Trump administration succeed in killing the Clean Power Plan, it would have a significant impact on coal demand in the United States.

The government's Energy Information Administration (EIA) recently forecast, with the Obama-era regulations in place, coal use in the electricity sector would fall by 40 per cent between 2015 and 2030. In the absence of those regulations, it would remain essentially flat after having fallen sharply since 2010.

Canadian hydroelectricity producers were counting on the Clean Power Plan to drive sales into the U.S. market. With the regulations, renewable power – including hydro from Canada – would exceed coal-fired electricity by 2030, the EIA forecast. Without it, renewable demand would grow more slowly and not surpass coal by 2050, it said.

Proponents of climate action are counting on U.S. states, large cities and businesses to pick up the slack from Washington and press forward with measures to reduce greenhouse gas (GHG) emissions. Governors from

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California and New York condemned Mr. Trump's executive order and vowed to pursue GHG-emissions reduction, as did a coalition of mayors representing 75 U.S. cities.

The Trump administration has not determined what approach it will take to the Paris accord, but it is taking aim at policies needed to meet U.S. commitments. If Mr. Trump's executive order succeeds in eliminating the Clean Power Plan and Obama-era methane regulations, U.S. GHGs would be 14 per cent below 2005 levels in 2030, well short of the Obama target of 26 per cent below 2005 levels, according to a report from the Rhodium Group, a New York-based think tank.

In a letter released Tuesday, the United States' largest oil company, Exxon Mobil Corp., urged the President to remain committed to the agreement, noting that both China and India committed to emission reductions.

"Exxon Mobil supports the Paris Agreement as an effective framework for addressing the risks of climate change," wrote Peter Trelenberg, the company's manager for environmental policy and planning.

With a report from Kelly Cryderman in Calgary

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